



STATE OF DELAWARE

**PUBLIC SERVICE COMMISSION**

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**MEMORANDUM**

**TO:** The Chair and Commissioners

**FROM:** Lisa B. Driggins, Public Utilities Analyst

A handwritten signature in blue ink, appearing to read "LBD", enclosed in a hand-drawn oval.

**DATE:** April 11, 2017

**SUBJECT:** IN THE MATTER OF THE APPLICATION OF THE CITY OF DELAWARE CITY FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO BEGIN PROVIDING WATER UTILITY SERVICES TO CERTAIN UNSERVED AREAS WITHIN ITS MUNICIPAL BOUNDARIES (FILED OCTOBER 6, 1998) **DNREC DOCKET NO. 98-CPCN-14**

IN THE MATTER OF THE APPLICATION OF THE CITY OF DELAWARE CITY TO ABANDON UNDER 26 DEL. C. § 203A(d) WATER SERVICES PROVIDED UNDER A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY (FILED FEBRUARY 28, 2017) **PSC DOCKET NO. 17-0107**

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The City of Delaware City ("DE City" or "Company") is a utility providing water services for public use that is subject to the regulatory jurisdiction of this Commission. On December 10, 1998, the Department of Natural Resources and Environmental Control ("DNREC") granted The City of Delaware City's application for a Certificate of Public Convenience and Necessity ("CPCN") for water services for 32 parcels of land located within the City of Delaware City, New Castle County, Delaware. On February 28, 2017, DE City submitted an application (the "Application") with the Commission seeking to partially abandon or discontinue its CPCN for water operations or services by removing three of the parcels of land from its CPCN, specifically New Castle County Tax Map Parcel Numbers 12-030.00-001, 12-030.00-002 and 12-023.00-02 (the "Parcels"). Also since the original CPCN was granted the three parcels have been subdivided into parcels 22 parcels – 22-011.00-007, 22-013.00-001, 22-013.00-002 and 22-009.00-156 through 22-009.00-174. If the Commission grants the Application, DE City will still have a CPCN for all of the other parcels that are within the existing CPCN.

Delaware law provides that no public utility shall abandon or discontinue, in whole or in part, any regulated public utility business, operations or services provided under a certificate of

public convenience and necessity without first having received Commission approval for such abandonment or discontinuance. 26 *Del. C.* §203A(d)(1). Such applications must be made to the Commission in writing, verified by oath or affirmation, and be in such form and contain such information as the Commission may from time to time require. 26 *Del. C.* §203A(d)(2). Finally, the Commission must approve any such application when it finds that the utility has met its burden of proving that the abandonment or discontinuance is reasonable, necessary and not unduly disruptive to the present or future public convenience and necessity. 26 *Del. C.* §203A(d)(3).

Staff reviewed the Application for abandonment and found it complies with all Delaware statutory and regulatory requirements. The Company provided a verified Application that requests to abandon a portion of the CPCN which relates to water service for the Parcels. Staff believes the abandonment is reasonable because DE City does not currently supply water service to the Parcels. The abandonment is necessary because the landowner of the Parcels requested that DE City remove such Parcel from DE City's CPCN service area. The landowner stated the reason for the abandonment is that during discussions regarding the need for public water and future development it would best be served by Artesian Water Company, Inc ("Artesian"). Furthermore, on February 23, 2017, the landowner signed a water petition with Artesian. Hence, if the Commission grants the Application's request, the abandonment would not be unduly disruptive to the future convenience and necessity because future customers would not be impeded (in general) from receiving water services from another public utility.

Therefore, Staff recommends that the Commission grant DE City's request to partially abandon its CPCN.